

Financial Results for the Year Ended March 2025 Q&A Summary

Q1) What are the current demand trends on international flights with regard to the impact of the U.S. tariff policy?

A1) [International Passenger Business]

- We are projecting demand through June, but there is no significant difference from our plan for fiscal 2025.
- We will continue to monitor demand trends and aim to achieve our plan through detailed revenue management as we determine the balance in composition among Japan inbound, Japan outbound, and trilateral.

[International Cargo Business]

- E-commerce demand for merchandise from China to North America remained high through April. We expect to see a decline beginning in May due to the impact of the termination of de minimis rules.
- We will endeavor to ensure profitability by monitoring logistics trends closely while making adjustments in our cargo route network.

Q2) What is the outlook for the trend of the unit price for the passenger business in fiscal 2025?

A2) [International Passenger Business]

- Our assessment of the external environment by route for fiscal 2025 is that the supply-demand balance on North American and European routes will continue to be firm. We do, however, expect supply and demand to relax on Chinese and Asian routes due to an increase in supply by certain airlines.
- Excluding the impact of foreign exchange rates, we expect yield to be in line with the previous year generally.

[Domestic Passenger Business]

- We expect that for domestic routes, overall market capacity will remain largely unchanged, while demand is expected to trend steadily.
- We will continue to improve average unit price by capturing last minute high unit price demand while continuing measures to stimulate interest in low-demand and other routes.

Q3) What are the factors behind the planned year-on-year decrease in operating income reflected in the fiscal 2025 plan?

- A3) • Passenger demand for both domestic and international routes is expected to continue trending steadily, leading to projected steady growth in revenue.
- At the same time, we saw increased fuel expenses and fuel tax due to reduced government exemptions and subsidies, as well as higher landing and navigation fees.
 - We also expect outsourcing expenses to increase by about 36 billion yen due to higher contract unit prices from contractors and costs linked to capacity.

Q4) What is the impact of non-operational aircraft on your earnings, and when do you expect them to return to service?

- A4) • We estimate that fiscal 2025 operating income would increase between 15 billion yen to 20 billion yen absent non-operational aircraft due to engine modifications.
- As of the end of fiscal 2024, we had 13 non-operational aircraft. We expect this number to decrease gradually over the next two to three years.
- We will continue to negotiate compensation to make up for lost profits due to non-operating aircraft.

Q5) What is your outlook on your dividend policy going forward?

- A5) • Since profits for fiscal 2024 were much higher than plan, we intend to increase the dividend from the previously announced 50 yen per share to 60 yen per share.
- In addition, based on our policy of maintaining stable and continuous dividends, we plan a 60 yen per share dividend for fiscal 2025 as well.
 - We plan to enter a phase of gradually increased shareholder returns as we continue to assess the status of financial base recovery and a balance with investments for growth.

End